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CENTRAL INTELLIGENCE AGENCY

REPORT

INFORMATION REPORT

CD NO.

COUNTRY East Germany

DATE DISTR. 16 December 1954

SUBJECT Planned 1954 Profits of Enterprises under the
Ministry of Machine Construction

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1. The appended table lists the planned 1954 profits of all enterprises under the East German Ministry for Machine Construction broken down by Main Administrations. Profits are the difference between sales (Warenproduktion) on the one hand and costs and production taxes (Produktionssteuern) on the other hand. The production tax is the tax (Gewerbesteuer) which amounts to 3% of the turnover (The turnover is the total production sales less Corporation taxes (Koerperschaftssteuer) and included in the production taxes but constitutes 65% of the profit for the two Director Funds to which the taxes are paid. 25X1

2. The planned 1954 profits listed below are in real money values (not in constant values) and are listed in millions of DM:

Main AdministrationsPlanned 1954 Profits

Heavy Industrial Equipment	104	25X1
Chemical, Ceramic & Food Industries	38	
Polygraphic & Textile Industries	3	
Machine Tool Construction	45	25X1
Foundries	10	
Boiler & Turbine Construction	38	
Power & Work Machine Construction	42	
Electrical Machine Construction	24	
Ship Construction	22	
Automobile & Tractor Construction	215	
Locomotive & Railroad Car Construction	81	
Agricultural Machine Construction	15	
RFT	123	
Precision Instruments & Optics	84	
Cable & Apparatus Construction	195	
Light Machine Construction	108	
Iron, Sheet Metal & Metal Products	40	25X1
TOTAL	1,187	

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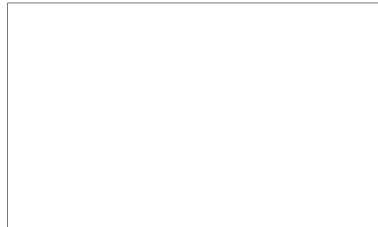
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3. The total of planned 1954 profits according to the above table would be expected to amount to around 1,180 million DME. It can be stated, however, that this total will not be reached. As of 31 August 1954, the total profits made by all enterprises under the Ministry for Machine Construction amounted to approximately 534 million DME, as was established by a preliminary calculation of profits in the Finance Department of the Ministry. It is to be expected that the 1954 total will be considerably short of the planned goal and will not exceed 900 million DME.



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